

BUSINESS OPPORTUNITY

Guided Cross-Country Ski Touring Services

GRAND TETON NATIONAL PARK

National Park Service
Intermountain Region

Solicitation No. CC-GRTESKI-13

Covering Contracts:

CC-GRTE024-13

CC-GRTE025-13

CC-GRTE032-13

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INTRODUCTION

The National Park Service (“Service”) intends to award three concession contracts in Grand Teton National Park (Area) to provide guided cross-country ski touring services. This Prospectus describes in general terms the existing business operations and the future business opportunities for the services required by the Service. Offerors must review all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract CC-GRTESKI-13 (“Draft Contract”), including its exhibits, to determine the full scope of a future concessioner’s responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391) as implemented by the Service in 36 C.F.R. Part 51. The term “Concessioner” as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term “Existing Concessioner” refers to the entity that currently provides services under the existing concession contract (“Existing Contract”).

In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, Part 51 of Title 36 will prevail. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract itself, the terms of the Draft Contract will prevail.

THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation stated that Congress created America’s National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)

Additionally, Congress declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States. . . . (16 U.S.C. §1a-1)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation’s natural and cultural heritage. To learn more about the National Park Service, visit www.nps.gov. This site includes information about the Service’s mission, policies, and information on individual park units.

GRAND TETON NATIONAL PARK AND ITS MISSION

Grand Teton National Park encompasses approximately 310,000 acres and protects the Teton Range, Jackson Hole, a 50-mile portion of the Snake River, seven morainal lakes, over 100 backcountry and alpine lakes, and a wide range of wildlife and plant species. The Park is a natural and cultural marvel with twelve rugged peaks rising over 12,000 feet in elevation, 900 species of wildflowers, 300 species of birds, 17 species of carnivores, six species of hooved mammals, and a human history dating back to the Paleo-Indians. The purpose of Grand Teton National Park as described in the Park’s Master Plan (1976) is to protect the scenic and geological values of the Teton Range and Jackson Hole, and to perpetuate the Park’s indigenous plant and animal life. The Park will interpret these natural and scenic values, in association with the historical significance of the region, in a manner that preserves these resources for the benefit and pleasure of present and future generations. Additional information on Grand Teton National Park can be found at www.nps.gov/grte.



MARKET AREA OVERVIEW

WYOMING TOURISM MARKET

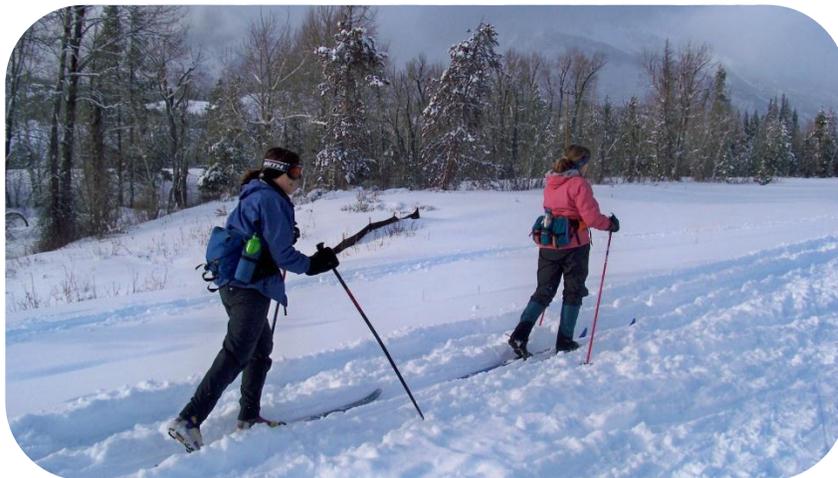
There were 8.34 million overnight visitors to Wyoming in 2011, up 4.3% from the previous year, resulting in \$2.88 billion in direct expenditures. As in previous years, the most popular destinations are Yellowstone National Park (50% of visitors), the Jackson Hole area (38% of visitors), and Grand Teton National Park (38% of visitors). A majority of visitors (86%) arrived by car, van, truck or SUV and most (80%) stayed in hotels or motels. Of the reported trips to Wyoming, 49% occurred during the summer, 19% during the fall and the spring and winter each received 16%. (Source: www.wyomingofficeoftourism.com, 2011 Year in Review and the 2011 Overnight Visitor Profile Research Report).

LOCAL MARKET AREA: JACKSON HOLE, WYOMING

Teton County, often used interchangeably with the phrase “Jackson Hole,” encompasses 4,008 square miles in northwestern Wyoming. The majority of the land in the County, 97%, is federally owned and controlled, leaving only 3% under private control (Source: www.tetonwyo.org/bcc/topics/about-teton-county/250746). The finite amount of developable land in Teton County has resulted in a limited housing supply. Housing in the area is relatively expensive and seasonal wages tend to be higher than would normally be expected for comparable employment in other areas.

The Jackson Hole area is one of the most high profile outdoor recreation destinations in the country. Its location and surrounding recreational amenities make the area a popular year-round tourist destination. The Bridger-Teton National Forest (“the Forest”) surrounds the Jackson Hole area, providing numerous ski opportunities during the winter months, while the Forest, the Snake River and Grand Teton National Park attract visitors during the peak summer visitation period. To serve a diverse visitor base, a wide range of outdoor activities is available in the area. Summer opportunities include hiking, camping, fishing, rafting, mountain climbing, and horseback riding. Popular winter activities in the area include downhill and cross-country skiing, snowmobiling, and snowshoeing. Three ski resorts are located in the area —Snow King Resort in the town of Jackson, Jackson Hole Mountain Resort at Teton Village, and Grand Targhee Resort in Idaho.

A number of companies and organizations located in the Jackson Hole area offer an array of outdoor winter activities including guided cross-country skiing, snowshoe tours, snowmobiling, ice skating, dog sledding, sleigh rides and wildlife viewing tours. These commercial activities take place on private lands, on U.S. Forest Service lands with applicable permits, and guided cross-country ski and snowshoe tours are authorized in Grand Teton National Park under the three concession contracts being solicited through this Prospectus. Cross-country skiing and snowshoeing are further encouraged in the area through non-profit organizations such as Jackson Hole Ski and Snowboard Club and Teton County Parks and Recreation.



Source: Grand Teton National Park



Winters are long and cold in the Jackson Hole area; snow and frost are possible during any month. The first heavy snows typically fall by early November and continue through April. The chart below was calculated using data collected at Moose, Wyoming from 12/14/1958 to 12/31/2010.

Month	Avg. Max. Temp	Avg. Min. Temp	Avg. Precip (inches)	Avg. Snowfall (inches)	Avg. Snow Depth (inches)
January	25.9	0.9	2.59	43.3	28
February	31.1	3.3	1.89	28.8	33
March	39.3	12.0	1.57	20.1	31
April	49.3	22.2	1.49	9.2	12
May	61.0	30.8	1.91	2.4	0
June	70.7	37.3	1.76	0.1	0
July	80.5	41.5	1.16	0	0
August	79.0	39.6	1.35	0	0
September	69.1	32.2	1.44	0.4	0
October	55.7	23.1	1.44	4.8	0
November	38.3	13.7	2.16	23.4	4
December	26.5	1.9	2.55	40.0	16
Annual	52.2	21.6	21.32	172.6	10

Source: www.nps.gov/grte/planyourvisit/weather.htm

GRAND TETON NATIONAL PARK

Located in northwest Wyoming, Grand Teton National Park is bordered by the Teton Mountain Range to the west, Bridger-Teton National Forest to the east, and John D. Rockefeller, Jr., Memorial Parkway and Yellowstone National Park to the north. Park headquarters is located in Moose, 13 miles north of Jackson, Wyoming, with entrance stations at Moose and Moran Junction, and near Teton Village on the Moose-Wilson Road. **Exhibit 1** provides a map that illustrates the proximity of the Park to the surrounding national parks, forests and the town of Jackson (referred to collectively as “the Jackson Hole area”).

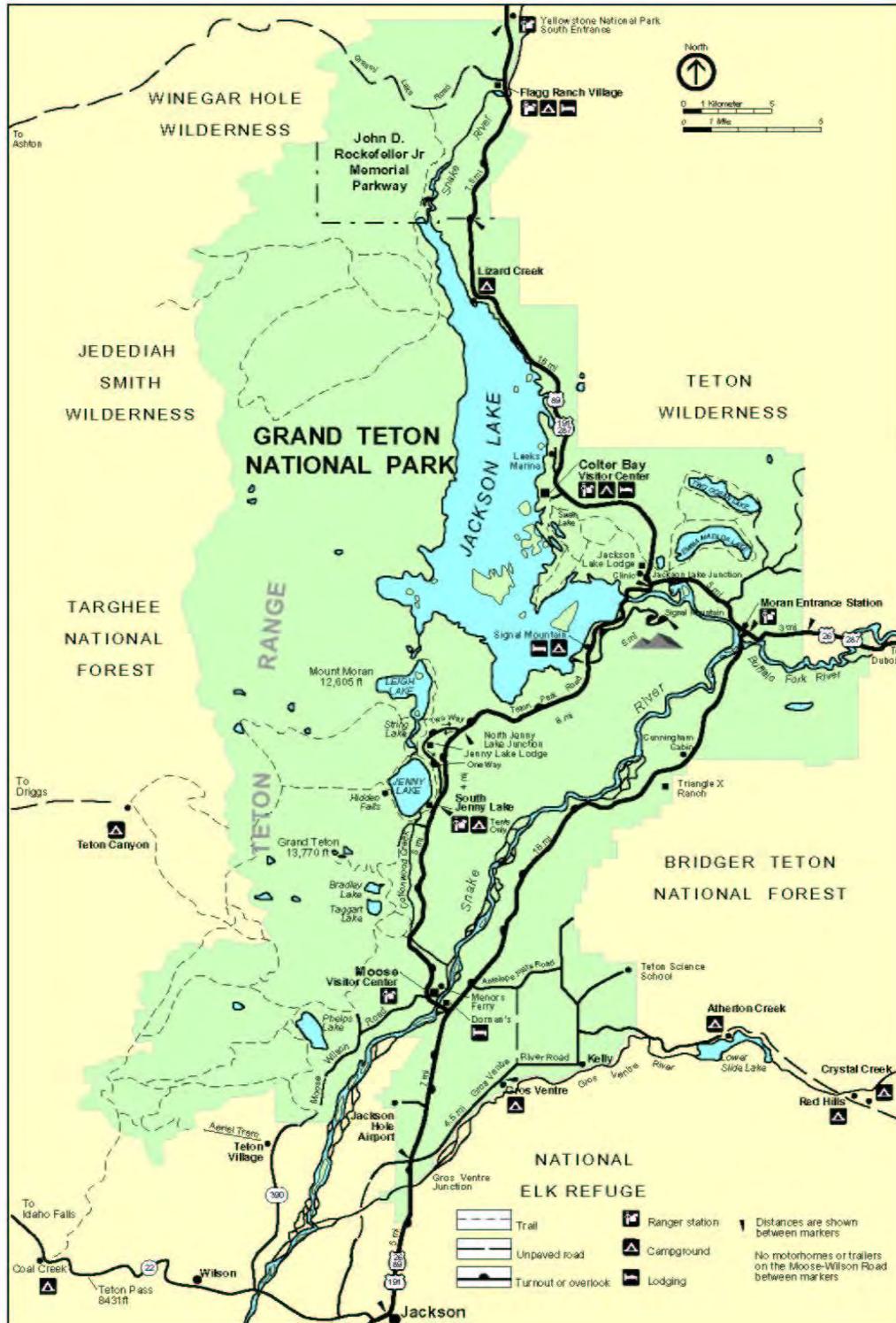
The Park is open year-round; however, most commercial services operate between May and October. Grand Teton National Park and John D. Rockefeller, Jr., Memorial Parkway facilities and services include 803 concessioner-operated lodging rooms; 1,206 concessioner-operated campsites; nine restaurants; 15 retail outlets; a variety of outfitter and guide operations including float trips, fishing, mountaineering, cross-country ski touring services (represented in the Draft Contract), and horseback riding; an environmental education school; and a medical clinic. The Park's main roadways, highways US 89/191 and US 26/287 are plowed and open for winter travel from the town of Jackson to Flagg Ranch just south of Yellowstone. Much of the Teton Park Road (also called the inner park road) is closed to vehicles during winter. The 15-mile unplowed section of the road from Taggart Lake parking area to Signal Mountain Lodge is open to non-motorized use only.



Source: Grand Teton National Park



Exhibit 1 – Geographic Area



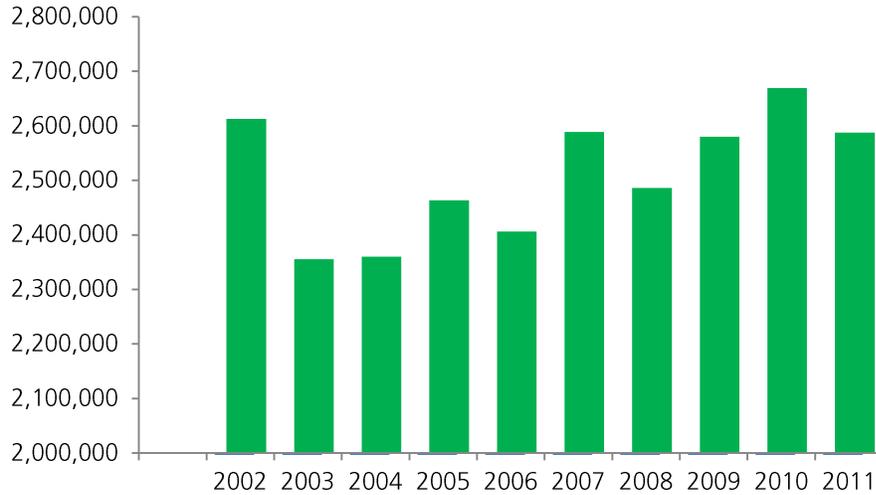
Source: National Park Service



PARK VISITATION

Exhibit 2 depicts recreation visitation to Grand Teton National Park from 2002 through 2011. Average visitation to the Park over the last ten years is approximately 2.5 million visitors with the lowest visitation of 2,355,693 reported in 2003 and the highest visitation of 2,669,373 reported in 2010.

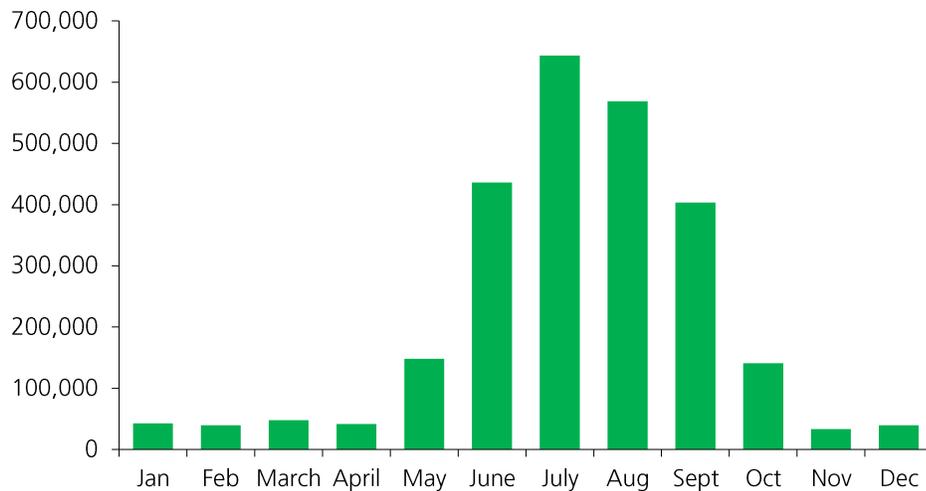
Exhibit 2 - Grand Teton National Park Visitation: 2002 through 2011



Source: National Park Service

Visitation to the Park is highly seasonal. Peak season runs from approximately June through September, low or winter season from November through March, and April, May and October are considered the shoulder seasons. **Exhibit 3** presents Park visitation by month for 2011.

Exhibit 3 - 2011 Park Visitation



Source: National Park Service



EXISTING CONCESSION OPERATIONS

Guided cross-country ski touring services are currently being provided by Jackson Hole Mountain Resort Corporation (CC-GRTE024-03); Powder Hounds, Inc., doing business as Rendezvous Ski tours (CC-GRTE025-03); and The Hole Hiking Experience, Inc. (CC-GRTE032-03). These Concession Contracts were effective beginning November 1, 2003, and will expire on October 31, 2013. The existing Contracts provide for guided cross-country ski tours, including incidental transportation and food services. A summary of the current Required and Authorized Services is detailed in **Exhibit 4** below.

Exhibit 4 - Existing Required and Authorized Concession Services

Contract	Existing Concessioner	Required Services	Minimum Operating Season
CC-GRTE024-03	Jackson Hole Mountain Resort	Guided day cross-country ski tours, including associated transportation and food services	None
CC-GRTE025-03	Rendezvous Ski Tours	Guided day and overnight cross-country ski tours, including associated transportation and food services	None
CC-GRTE032-03	The Hole Hiking Experience	Guided day cross-country ski tours, including associated transportation and food services	None
Contract	Existing Concessioner	Authorized Services	Minimum Operating Season
CC-GRTE024-03	Jackson Hole Mountain Resort	Guided snowshoe tour services, excluding any and all areas being utilized for park naturalist guided snowshoe tours	None
CC-GRTE025-03	Rendezvous Ski Tours	Guided snowshoe tour services, excluding any and all areas being utilized for park naturalist guided snowshoe tours	None
CC-GRTE032-03	The Hole Hiking Experience	Guided snowshoe tour services, excluding any and all areas being utilized for park naturalist guided snowshoe tours	None

Source: National Park Service

CURRENT APPROVED RATES FOR REQUIRED SERVICES

The methodologies used by the Service to determine the reasonableness and appropriateness of rates and charges are set out in the National Park Service Concession Management Rate Approval Guide (July 2010), a copy of which is included as an Appendix to this Prospectus. Rates for the Existing Concession Contracts are based on Comparability. A summary of the approved rates for the winter 2011/2012 season is included as an Appendix to this prospectus.



Source: Grand Teton National Park



FUTURE OPERATIONS

The required and authorized services for the Draft Contracts are listed below. There are no material differences in the Required Services from the Existing Contracts.

Exhibit 5 – Draft Contract Required and Authorized Services

Contract	Required Services	Minimum Operating Season
CC-GRTE024-13	Guided day cross-country ski tours, including associated transportation and food services	Minimum season: January through March.
CC-GRTE025-13	Guided day and overnight cross-country ski tours, including associated transportation and food services	Minimum season: January through March.
CC-GRTE032-13	Guided day cross-country ski tours, including associated transportation and food services	Minimum season: January through March.
Contract	Authorized Services	Minimum Operating Season
CC-GRTE024-13	Guided snowshoe tour services, excluding any and all areas being utilized for park naturalist guided snowshoe tours	None
CC-GRTE025-13	Guided snowshoe tour services, excluding any and all areas being utilized for park naturalist guided snowshoe tours	None
CC-GRTE032-13	Guided snowshoe tour services, excluding any and all areas being utilized for park naturalist guided snowshoe tours	None

FINANCIAL AND OPERATING DATA

The Proposal Package requires Offerors to develop financial projections based on the services required under the Draft Contract. In order to assist Offerors in the development of these projections, information regarding historical gross revenue and visitor use are presented below. Offerors should be appropriately cautious in the use of historical information. The National Park Service will not provide financial predictions; therefore, Offerors are responsible for producing their own pro forma financial projections and relying upon their own financial predictions. Offerors should read the entire prospectus carefully, including the Draft Contract and all its exhibits as some requirements from the Existing Contracts may have changed, specifically, note the minimum insurance requirement levels outlined in Exhibit D, Insurance Requirements.

HISTORICAL GROSS REVENUE

Historical annual gross revenue for the past three seasons is listed in **Exhibit 6** below.

Exhibit 6 - Annual Gross Revenue, 2008/2009 through 2010/2011 Winter Seasons

Contract	Existing Concessioner	2008/09	2009/10	2010/11
CC-GRTE024-03	Jackson Hole Mountain Resort	\$5,515	\$14,765	\$16,540
CC-GRTE025-03	Rendezvous Ski Tours	\$5,755	\$ 6,110	\$ 5,935
CC-GRTE032-03	The Hole Hiking Experience	\$28,470	\$35,151	\$21,835

Source: National Park Service

VISITOR USE STATISTICS

Exhibit 7 below presents historical visitor use by required and authorized service for the existing Concessioners for the past three years. Please note that the data reported represents the number of guests. Additional visitor use statistics for other Park Concessioners are available at <https://irma.nps.gov/Stats/>.



Exhibit 7 – Visitor Use

Existing Concessioner	2009/2010		2010/2011		2011/2012	
	Cross-Country Ski Tours	Snowshoe Tours	Cross-Country Ski Tours	Snowshoe Tours	Cross-Country Ski Tours	Snowshoe Tours
CC-GRTE024-03	74	61	104	51	143	115
CC-GRTE025-03	37	1	40	0	21	6
CC-GRTE032-03	59	214	21	273	24	545

Source: National Park Service

INVESTMENT ANALYSIS

LEASEHOLD SURRENDER INTEREST

Leasehold Surrender Interest is a compensable interest in real property and real property improvements. The existing Concessioners have no Leasehold Surrender Interest in Concession Facilities and there will be no Leasehold Surrender Interest in the new Contracts.

PERSONAL PROPERTY AND INVENTORY USED IN EXISTING CONCESSION OPERATIONS

The existing Contracts do not require the existing Concessioners to sell personal property, merchandise (inventory), and supplies used in the operation to the Concessioner; however, a new operator will be required to provide such equipment, personal property, and inventory necessary for the proper and efficient operation of Contract requirements.

SUMMARY OF ESTIMATED REQUIRED INITIAL INVESTMENT

The Concessioners will incur start-up costs prior to commencing operations and will need to provide working capital and personal property, supplies, and inventory as discussed above. Offerors must make their own determination of the investment required to support the Required Services.

PREFERRED OFFEROR DETERMINATION

The Service, pursuant to the terms of 36 Code of Federal Regulations (C.F.R.) Part 51, has determined the three existing Concessioners are qualified contracts and, therefore the existing Concessioners are Preferred Offerors for the new Contracts. The existing Concessioners must submit a responsive proposal to this Prospectus to be considered for award of the Contract. If an existing Concessioner submits a responsive proposal and that proposal is not selected as the best proposal, the Preferred Offeror designation allows it to match the terms of the best offer and be awarded the Contract.

FRANCHISE FEES

The minimum franchise fee will be equal to three percent (3.0%) of the Concessioner's annual gross receipts or a flat fee of \$500, whichever is higher, for the term of the Draft Contract. However, Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in Tab 3 of this Prospectus).

TERM AND EFFECTIVE DATE OF DRAFT CONTRACT

The term of the Draft Contract will be for ten (10) years with an estimated beginning date of November 1, 2013. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the expiration date of the Draft Contract will be changed to continue the same term length from any adjustment to the effective date.

SITE VISIT

No Concession Facilities are associated with the contracts; therefore, no site visit will be conducted.

